

**VIRGINIA:
IN THE CIRCUIT COURT FOR THE CITY OF SALEM**

AMERICAN NATIONAL UNIVERSITY, INC.)

Plaintiff,)

v.)

Case No. _____

AMBASSADOR COLLEGE)

BOOKSTORES, INC.)

SERVE:)

OFFICE OF THE SECRETARY OF THE)

COMMONWEALTH)

PO Box 2452)

Richmond, Virginia 23218-2452)

Defendant.)

COMPLAINT

COMES NOW, your Plaintiff, American National University, Inc., by counsel, and respectfully requests that this Honorable Court enter judgment against the Defendant and in favor of Plaintiff on the grounds and in the amount as hereinafter set forth:

PARTIES

1. American National University, Inc. ("ANU") is a Virginia corporation in the business of providing postsecondary education to its students. ANU's principal place of business is located at 1813 East Main Street, Salem, VA 24153.

2. Ambassador College Bookstores, Inc. ("Ambassador") is a New York corporation in the business of selling textbooks and other educational supplies. Ambassador's principal place of business is located at 445 Broad Hollow Road, Suite 206, Melville, New York, 11747.

VENUE AND JURISDICTION

3. This Court has jurisdiction in this action pursuant to Virginia Code Section 8.01-328.1(A)(1)-(3).

{00185422-1 }

1

EXHIBIT

A

4. Venue is appropriate in this Court pursuant to Virginia Code Section 8.01-262(3) and 8.1A-301.

FACTS

5. On or about October 23, 2013, ANU and Ambassador entered into a Master Services Agreement whereby Ambassador agreed to be the exclusive vendor of textbooks for ANU's students, faculty, and staff.

6. The MSA has been amended four times, on June 2, 2016, November 1, 2017, July 18, 2018, and October 2, 2018. Hereinafter, the MSA, including all amendments thereto, shall be referred to as the "MSA." A copy of the MSA is attached hereto as Exhibit A.

7. Under the terms of the MSA, ANU could order books directly for its bookstore with Ambassador or through the Platform (hereinafter defined) and ANU's students could order books directly from Ambassador using the Platform.

8. The MSA provides that ANU and its students and staff were to have full access to Ambassador's proprietary client portal platform SourceOne (hereinafter, the "Platform"). The Platform is Ambassador's client portal software which, among other things, allows students and staff to monitor and manage their purchases and voucher transactions, retrieve student data, access Ambassador invoices, and generate management reports.

9. The MSA originally provided that ANU would pay Ambassador thirty (30) days' after receipt of Ambassador's invoice. MSA dated 10/23/2013, page 2.

10. In the July 18, 2018 Amendment to the MSA, ANU and Ambassador agreed to change the payment terms. Specifically, the Amendment provides:

Customer shall provide weekly payments to Ambassador, in such amounts as Customer and Ambassador deem appropriate, taking into consideration the then outstanding invoices due Ambassador from Customer ("Weekly Payments"), to be applied to any outstanding balance of Ambassador's invoices. At no point shall the amount due from Customer to Ambassador

exceed \$350,000. All amounts due Ambassador for invoices relating to a specific distribution of course materials must be paid in full by Customer prior to the start of the next distribution of course materials.”

11. On or about August 1, 2018, representatives of ANU and Ambassador agreed orally that the initial invoice for the term beginning January 6, 2019 would be paid differently than the terms provided in the July 18, 2018 Amendment to the MSA. Ambassador agreed that the invoicing for the January orders subject to the MSA would give ANU twenty-eight (28) days from the start of the term to return books and the payment would be due thirty (30) days from the return date, effectively giving ANU fifty-eight (58) days to make payment (hereinafter, this shall be referred to as the “Modified Payment”).

12. On October 26, 2018, Joel Musgrove, the Senior Executive Vice President of ANU, and Rich Kolberg, Chief Financial Officer of Ambassador, discussed that the payment for the first shipment of the new school term beginning in January, 2019 (the “First Shipment”) would be subject to the Modified Payment. The parties also discussed negotiating to make this the new financing terms under the MSA going forward.

13. ANU’s students could place orders for the First Shipment beginning on January 6, 2019.

14. On January 3, 2019, three days before the start of a new school term and the date that ANU’s students could place orders for the First Shipment, Steven Blicht, Ambassador’s CEO, stated that he had not approved the Modified Payment and would not allow it. Additionally, Steven Blicht, in contravention of the terms of the MSA, indicated that he would not open the bookstore or ship any more textbooks until ANU and Ambassador negotiated new financing terms.

15. After Ambassador threatened to not perform under the MSA, ANU offered to pay \$100,000 of the order for the First Shipment up-front to open the bookstore. Steven Blicht, on behalf of Ambassador, accepted this offer.

16. Given the short time-frame to make a decision and with no alternative option for its students to purchase textbooks, ANU offered and paid the \$100,000 for the First Shipment solely to induce Ambassador to perform under the MSA and to ensure that its students received their textbooks on time for the new term.

17. Rich Kolberg and Steve Cotton, ANU's Executive Vice President, Legal and Regulatory Affairs, were also on the January 3, 2019 call with Steven M. Blicht. On that call, all parties agreed that Rich Kolberg and Steve Cotton would attempt to work out a new financing agreement under the MSA in an attempt to salvage the relationship and continue doing business.

18. During the month of January, Rich Kolberg and Steve Cotton were unable to finalize new financing terms for payment under the MSA. During this time, Ambassador also refused to honor the financing agreement identified in the July 18, 2018 Amendment to the MSA which allowed ANU to make weekly payments and carry a balance with Ambassador of up to \$350,000.

19. On January 30, 2019, ANU notified Ambassador that it would be purchasing its next shipment of textbooks directly from vendors. A copy of that correspondence is attached hereto as **Exhibit B**.

20. The correspondence attached as **Exhibit B** (i) acknowledged that ANU would pay all outstanding invoices incurred to date and (ii) expressed ANU's hope to do business with Ambassador in the future. This correspondence provided that: "... due to time constraints and the inherent uncertainties in the negotiation process we are forced to move forward with making arrangements directly with the vendors to ensure that our students have access to course materials for the 192 academic term."

21. After receipt of ANU's notice that it intended to purchase textbooks directly from vendors rather than Ambassador, Ambassador contacted the vendors and told them that the vendors

would be subject to legal claims from Ambassador if they dealt with ANU and that ANU was having financial difficulties and was not in a position to honor its financial obligations.

22. As a result of the communications from Ambassador to the vendors, ANU's credit terms for the purchase of books from the new vendors got worse making the cost of buying new textbooks from the vendors more expensive.

23. On or about February 11, 2019, Ambassador created an invoice charging ANU \$45,000 (the "Invoice"). The Invoice included the following explanation: "October 23, 2013 MSA, cost related to ANU advising handling course materials as of February 11, 2019 for remainder of term." Upon information and belief, Ambassador imposed a penalty assessed against ANU for its decision to buy textbooks from the vendor directly. A copy of the invoice is attached hereto as **Exhibit C**.

24. Ambassador has refused to perform under the MSA until the Invoice is paid.

25. On or about February 12, 2019, Ambassador turned off access to the Platform.

26. Ambassador has threatened litigation over non-payment of the Invoice and another open invoice which has subsequently been resolved. A copy of the Demand Letter sent by counsel on behalf of Ambassador is attached hereto as **Exhibit D**.

COUNT I – Prayer for Declaratory Judgment

27. ANU reasserts and re-alleges the prior paragraphs of this Complaint, as if fully set forth herein.

28. ANU requests a declaratory judgment from the Court pursuant to Section 8.01-184 of the Code of Virginia, as amended, for a determination of the rights and obligations of Ambassador and ANU under the MSA.

29. In particular, ANU requests a determination as to whether (i) it was justified in finding an alternate source of textbooks after Ambassador's breach of the MSA under the legal

theory of anticipatory repudiation and (ii) whether Ambassador has the right under the terms of the MSA to charge ANU \$45,000 as evidenced by the Invoice.

30. As evidenced in the July 18, 2018 Amendment to the MSA, the MSA outlined financing terms for the parties. Specifically, the MSA allowed ANU to make weekly payments and carry a balance with Ambassador of up to \$350,000 in connection with purchases under the MSA.

31. Despite the parties' oral agreement to allow the Modified Payment, and discussions between the parties to allow similar financing going forward, the oral agreement was never memorialized in a written agreement by the parties.

32. Ambassador breached the MSA by failing to honor either (i) the financing arrangement contained in the MSA or (ii) what was orally agreed by ANU and MSA. Rather, three days before the start of a new term Ambassador reneged on its oral agreement and refused to perform under the MSA unless ANU agreed to new financing terms.

33. Ambassador's actions were inconsistent with the terms of the MSA, which allowed Ambassador to make weekly payments and carry a balance of up to \$350,000 after shipments were made.

34. It was only after ANU offered to pre-pay \$100,000 for the textbooks that Ambassador agreed to perform.

35. By insisting upon new financing terms and failing to honor the financing arrangement in the MSA, Ambassador breached the MSA. This breach substantially impaired the value of the MSA to ANU, as it required them to change financing terms and made it more expensive to transact business with Ambassador.

36. Upon information and belief, Ambassador's insistence on changing the credit terms was based on its allegation that ANU had made certain late payments to Ambassador. Even if true, the MSA does not allow Ambassador to unilaterally change the financing terms in the MSA because of late payments made by ANU.

37. Additionally, Ambassador has refused to perform under the Agreement until the Invoice is paid in full, despite ANU's insistence that the amounts identified in the Invoice are not due and owing under the MSA.

38. Despite Ambassador's breach and insistence on being paid for the Invoice, ANU negotiated in good faith to try to establish financing terms that were agreeable to both parties and continue to do business.

39. The parties, however, were unable to reach an agreement in time for ANU's next order of textbooks in February, 2019, and ANU informed Ambassador of its intention to order textbooks from another source until the parties could agree on financing terms.

40. ANU seeks a declaration by the Court that Ambassador's actions constituted a breach of the MSA and that, given such breach ANU's actions in ordering textbooks directly from the vendor were justified under the theory of anticipatory repudiation pursuant to Section 8.2-610(C) of the Code of Virginia, as amended.

41. ANU also seeks a declaration by the Court that Ambassador exceeded its authority under the MSA by charging ANU the amounts identified in the Invoice.

42. The July 18, 2018 Amendment to the MSA provides that, upon a breach by either party, there shall be a ten (10) day cure period, and giving the parties the right to terminate the MSA and pursue all available rights and remedies available under the MSA. Section 4(a) of July 18, 2018 Amendment to MSA. To date, except for making demand for payment of the Invoice Ambassador has exercised neither of these options and has refused to perform under the MSA.

43. The MSA does not allow either party to assess penalties for a breach of the MSA.

44. ANU has exhausted all other means of resolution with Ambassador, including conference calls and numerous correspondence with Ambassador's representatives and counsel. Ambassador, however, refuses to move forward with any future negotiations until the Invoice is

paid and has threatened litigation to collect the amounts owed under the Invoice. This matter is, therefore, ripe for adjudication.

45. There exists an actual controversy between ANU and Ambassador, and that controversy is present, current, specific and ripe for adjudication. In addition, there is no adequate remedy at law for the determination of contractual rights related to the amounts allegedly owed under the Invoice.

WHEREFORE, your Plaintiff, American National University, Inc., respectfully prays that this Honorable Court provide the following relief: (i) declare that Ambassador's actions constituted a breach of the MSA and that, given such breach ANU's actions in ordering textbooks directly from the vendor were justified under the theory of anticipatory repudiation pursuant to Section 8.2-610(C) of the Code of Virginia, as amended; (ii) declare that Ambassador exceeded its authority under the MSA by creating the Invoice and insisting that it be paid before performing under the MSA; and (iii) award Plaintiff its reasonable costs and attorney's fees incurred as a result of bringing this action, and such other and further relief as the circumstances of this Case may require.

COUNT II – Tortious Interference with Contract and Business Expectancies

46. ANU reasserts and re-alleges the prior paragraphs of this Complaint, as if fully set forth herein.

47. ANU has on-going relationships with its vendors, which accounts for services to be provided to ANU and which ANU reasonably expects to continue.

48. Ambassador was aware of these ongoing relationships and ANU's expectation of future business relationships.

49. Ambassador intentionally, willfully, and purposely interfered with ANU's relationships with its vendors by improper means or methods, including, but not limited to, threatening such vendors with legal action for dealing with ANU and falsely misrepresenting that ANU was unable to meet its financial obligations.

50. The improper communications took place with Ambassador's competitors for the same services provided under the MSA.

51. During the period when the communications took place, ANU's performance under the MSA was excused because of Ambassador's breach of the MSA by failing to honor its financing terms and its continuing refusal to perform under the MSA until the Invoice was paid.

52. As a direct and proximate cause of Ambassador's tortious interference, ANU has been damaged because the financing terms provided by ANU's existing contractual relationships has gotten materially worse and because the communications have interfered with ANU's prospective business relationships.

53. Absent injunctive relief, ANU's tortious interference with Ambassador's customer relationships and prospective customer relationships will continue to cause irreparable injury to ANU and its business.

54. ANU has suffered and seeks direct consequential damages as a result of Ambassador's tortious interference including, but not limited to, compensation for lost business opportunities, damages resulting from unfavorable financing terms, and damages to ANU's business reputation, and is entitled to recover these actual damages from Ambassador in an amount to be proven at trial.

55. Ambassador's actions were willful and in bad faith after their breach of the MSA by failing to honor the financing terms agreed to by the parties.

WHEREFORE, your Plaintiff, American National University, Inc., respectfully prays that this Honorable Court be awarded a temporary and permanent injunction enjoining Ambassador from making any further disparaging statements to ANU's vendors and grant judgment against Ambassador College Bookstores, Inc. in the amount of Eighty Thousand Dollars and 00/100 Dollars (\$80,00.00) for its tortious interference with American National University's existing contractual relationships and future business expectancies, plus interest that accrues on the principal

{00185422-1 }

amount from the date of judgment until the judgment is paid in full; an award of reasonable attorney's fees and expenses incurred in collecting the amounts owed, including the costs of filing this action; and such other and further relief as the circumstances of this Case may require.

Respectfully submitted,

American National University, Inc.

By: 

Of Counsel

Compton M. Biddle (VSB #46187)
John K. Prillaman (VSB # 81306)
OPN LAW
3140 Chaparral Drive, Suite 200-C
Roanoke, VA 24018-4370
Phone: (540) 989-0000
Fax: (540) 772-0126
cbiddle@opnlaw.com
Counsel for Plaintiff

CERTIFICATE OF MAILING

The undersigned hereby certifies that on April 8, 2019, a true and accurate copy of the foregoing Complaint was sent, via first-class mail, postage prepaid, to Ambassadors College Bookstores, Inc. Attn: Corporation Service Company, Registered Agent, 80 State Street, Albany, New York 12207-2543 and to Steven M. Blight, Ambassador College Bookstores, Inc. Chief Executive Officer, 445 Broad Hollow Road, Ste. 406, Melville, New York 11747



John K. Prillaman

EXHIBIT A

{00027763-1 }

AMBASSADOR

EDUCATION SOLUTIONS

445 Broad Hollow Road, Suite 206, Melville, NY 11747 631-770-1010 • 800-431-8913 • Fax: 631-770-1015
www.ambassador.com • info@ambassador.com

October 23, 2013

Cyndee P. Moore, Regional Vice President
National College
900 Madison Square,
Madison, TN 37115

Dear Cyndee:

I am pleased to submit for your review the attached Term Sheet to retain Ambassador College Bookstores, Inc. doing business as Ambassador Education Solutions ("Ambassador") to handle the delivery and management of all course material requirements, including textbooks, ebooks, kits and supplies, for all schools and divisions of National College, National College of Business & Technology, American National University and University of Fairfax.

Ambassador offers a wide range of customized and integrated solutions, including the management and operation of on-campus counter service bookstores, online bookstores, and auto-fill services. The School has decided it wishes for Ambassador to implement online bookstore and/or autofill services.

Ambassador is determined to provide a truly responsive and customer driven service to your School's students, faculty, and administrators. If you wish to retain Ambassador in accordance with the attached Term Sheet, please sign in the space provided below and return via email/PDF, fax or regular mail to the above address. Upon receipt, Ambassador will assign to your School a dedicated Client Services team, who will contact you to schedule a "kick off" meeting.

I am confident the "Ambassador Team" has a thorough understanding of your requirements, the experience to facilitate a seamless transition, and the methodology and technology to materially improve the systems and procedures currently in place.

If you have any questions or wish to discuss further please do not hesitate to contact me. Thank you and we look forward to the opportunity of doing business with your School.

Sincerely,
Ambassador College Bookstores, Inc.
Ambassador Education Solutions

Steven M. Blicht
Chief Operating Officer

Confirmed and Agreed:
National College
National College of Business & Technology
American National University
University of Fairfax

By: 
(Signature)

FRANK LONGAKER
(Print Name)

Its: PRESIDENT
(Print Title)

Date: October __, 2013

October 23, 2013
Ambassador College Bookstores, Inc. dba Ambassador Education Solutions ("Ambassador")
Term Sheet and Agreement for the Delivery and Management of All Course Materials
For All Schools, Campuses, and Divisions Of
National College, National College of Business & Technology, American National University and University of Fairfax
(The "School")

PURPOSE:

- To furnish bookstore services and solutions as the exclusive vendor for the School's students, faculty, and staff, for all schools, campuses and divisions, in a distribution format selected by the School, for the distribution and management of all required, related, and recommended course materials, including but not limited to books, textbooks, trade books, custom publications, course packs, ebooks, etextbooks, digital content, used books, and/or any other curriculum resources, including but not limited to, any kits, scrubs, uniforms, or supplies, as well as buybacks, in quantities as ordered by the School and faculty.
- In accordance with Ambassador's license and user terms, School to have full access to Ambassador's proprietary client portal Source One to, among other things, monitor and manage student purchases and voucher transactions, retrieve student data, access Ambassador invoices, and generate management reports.

VOUCHERS/INVOICING:

- If voucher purchases are permitted by School, customized voucher system shall be utilized identifying student, course, and required course material, along with customized invoicing for voucher purchases identifying student, course and course material. The School shall be responsible to pay Ambassador for any voucher purchases.
- If voucher purchases are not permitted, customary forms of payment are accepted, such as student credit card.

BOOKSTORE SOLUTIONS:

- Bookstore solutions designed to meet the specific needs of your School, including on-campus counter service, online, or auto-fill. The School has decided it wishes for Ambassador to implement online bookstore and/or autofill services.
- The School will use its best efforts to have all necessary book and course material information to Ambassador at least four weeks in advance of each requested distribution start date, and order enough quantity as may be required for a respective quarter, where over-ordering of materials in any quarter not to exceed twenty five percent. The School or the instructor should order desk copies directly from the publisher.
- The School shall retain Ambassador to provide these bookstore solutions initially as a pilot program to certain campuses thru and including February 28, 2014 (the "Pilot Period"). After the Pilot Period, Ambassador will provide these bookstore solutions to all locations and campuses and divisions owned by the School for a period of two years as of March 1, 2014, with successive options to renew for the same two year period, which renewal options shall be exercised in a writing signed by the parties hereto prior to the expiration of the initial term or any option term. If however the School advises Ambassador in writing within twenty days prior to the expiration of the Pilot Period it does not wish to retain Ambassador beyond the Pilot Period, then this agreement shall be deemed expired.

RETURNS:

- If online bookstore or auto-fill services, full refunds and/or exchanges will be provided within the first 21 days of the start of the quarter provided the material returned is in mint resalable condition. If on-campus bookstore, then 14 days from date of purchase. Voucher/receipt must accompany the refund.

PAYMENT TERM:

- If an order is paid by voucher, then the School will be invoiced for those voucher purchases and pay Ambassador's invoices net 30 days from date of Ambassador's invoice, via check or wire transfer. If the School elects to pay by credit card or payment is not made within 60 days from Ambassador's invoice date, then an additional 3% shall be imposed on the invoice amount and shall be due Ambassador from the School. If an order is directly paid by student via credit card, then the School will not be invoiced for that student credit card transaction.

PROCESSES:

- Ambassador's "Cost Plus Pricing Model" allows the School to select the pricing model and markups that best fits its objectives, including whether the School wishes to generate revenue and the form of payment typically made by a majority of the School's students. The pricing models ("Pricing Models") available under Ambassador's "Cost Plus Pricing Model" include:
 - Pricing Model A: If the School does not wish to generate revenue, one markup shall be utilized and applied to the cost to establish the Student Sell Price and the Invoice Price (for voucher purchases).
Example using a 1.29 Markup:

List Price of Textbook \$10
 School Special Publisher Discount, if any, or Standard Publisher Discount 40%
 Cost of Textbook: \$6.00
 Student Sell Price of Item: \$7.74 – Amount Student Pays
 Invoice Price of Item: \$7.74 – Amount School Pays Ambassador if Voucher Purchase (If student pays by student credit card, then School is not invoiced)

- o Pricing Model B: If the School does wish to generate revenue, and most purchases are primarily by voucher, then two markups shall be utilized and applied to cost to establish the Student Sell Price and the Invoice Price. Under this model, the School establishes a Student Sell Price Markup in any amount it elects to be applied to cost (amount students are charged) and Ambassador would invoice the School at a lower Invoice Price Markup (amount paid by the School), the difference being the School's additional revenue.
 Example using a 1.29 Invoice Markup and 1.59 as Sell Price Markup:
 List Price of Textbook \$10
 School Special Publisher Discount, if any, or Standard Publisher Discount 40%
 Cost of Textbook: \$6.00
 Student Sell Price of Item: \$9.54 – Amount Student Pays
 Invoice Price of Item: \$7.74 – Amount School Pays Ambassador since Voucher Purchase
 Revenue Generated by School: \$1.80 (Difference between Student Sell Price and Invoice Price)
- o Pricing Model C: If the School does wish to generate revenue, and most purchases are primarily via student credit card, then one markup shall be utilized and applied to cost and a quarterly "Revenue Share" payment shall be made by Ambassador to the School based upon a percentage of Net Sales.
 Example using a 1.59 Markup with an 18.75% Revenue Share Payment
 List Price of Textbook \$10
 School Special Publisher Discount, if any, or Standard Publisher Discount 40%
 Cost of Textbook: \$6.00
 Student Sell Price of Item: \$9.54 – Amount Student Pays
 Amount Ambassador pays the School \$1.78 as Revenue Share (18.75% of \$9.54 sell price)
- o The Revenue Share shall be paid on the Net Sales, less shipping, returns, credit card fees, tax, and other reasonable adjustments. Provided Ambassador's invoices are timely paid (for voucher purchases, if any), the Revenue Share shall be calculated for each quarter and payable each quarter no later than the last day of the following months: March (covering December, January and February), June (covering March, April and May), September (covering June, July and August), and December (covering September, October and November).
- Ambassador can implement any of the Pricing Models as requested by the School, and the School can utilize the different Pricing Models based upon different services or campuses. As of the date hereof, the School has advised it wishes to implement the pricing model as noted below. In the event the School wishes to change the pricing model to any of the other Pricing Models, then the School shall advise Ambassador in writing so that Ambassador may coordinate implementing any pricing change based upon the timing of distribution:
 - o The School wishes to implement the following Pricing Model:
 - For Online Bookstore and/or Autofill Services: Pricing Model B, with Invoice Markups of 1.15 for books, 1.10 for eBooks and 1.25 for non book items; and Student Sell Price Markup as directed by the School
- If the School has negotiated with any publisher a special discount, then that School special publisher discount will be used when applying the markup. The School will use its best efforts to have any publisher/vendor provide free shipping, which shall be assigned to Ambassador.
- If requested by the School, Ambassador will work with the School's technology department to implement an integration(s), including any single sign on, between the School's Student Information System, Learning Management System, and/or Digital Content Platform, with Ambassador's products, services and solutions, including SourceOne and eBooksPlus. Ambassador shall not impose any start up costs associated with the implementation of such integrations. Campus Management Corporation has informed Ambassador that it also will not impose any start up costs associated with the implementation of the integration with its CampusVue Student Information System.

GENERAL:

- During the Term, and continuing after the expiration or termination of this Agreement, each party hereto shall refrain from disclosing any and all nonpublic Confidential Information supplied by the other party or any of their affiliates, except if that Confidential Information (i) is already, or otherwise becomes publicly known; (ii) it was known prior to receiving such information hereunder without an obligation of confidentiality; or (iii) is lawfully received from a third party having the right to disseminate such information without restriction on disclosure. Furthermore Confidential Information may be disclosed to the extent required to carry out this agreement, or as may be required by a court of competent jurisdiction, or other governmental authority, or otherwise as required by law.

- The School shall notify School faculty and staff that Ambassador has been retained to be the exclusive provider of these course material management and delivery services, including bookstore operations. Additionally, the School will assist Ambassador in marketing the Ambassador services to the School's students. If an online bookstore service is provided, the School will prominently provide for links/banners on all appropriate pages within the School's main institutional website, any student portal and any learning management system, so that students can conveniently link to the online bookstore.
- Any written notice shall be deemed sufficient when delivered to the other party at the other party's address listed on page one via certified mail, return receipt requested or via overnight delivery by UPS, Fed Ex, or Air Bourne, or via personal delivery. The terms herein shall supersede any other agreement and any modification or waiver to the terms herein shall be in a writing signed by the above-mentioned parties.
- If the School's Booklist and/or requirements include any custom publications or non-returnable items, then the School shall continue to include those items on future Booklists until those items are depleted from Ambassador's inventory. In the event the School elects to make a change and not utilize a custom publication or non-returnable item before those items are depleted from Ambassador's inventory, then the School shall purchase those items from Ambassador at Ambassador's cost.
- If the School wishes to have Ambassador handle the manufacture and sale of school merchandise items with the School's colors and logos, then the School and Ambassador shall discuss the terms relating to merchandise items with school logo and colors.
- Solely in connection with any merchandise sold in the store, or in the event Ambassador designs an online bookstore, the School hereby grants Ambassador the right to use the School's name, seal and/or logos for reproducing and imprinting same on the school merchandise and/or online bookstore as set forth herein, for only as long as this agreement is in effect.
- If the School utilizes either online and/or virtual bookstore solutions, then outgoing shipping will be imposed when shipping the order to the address provided by the School and/or student. If the items are shipped to the School address, then a flat shipping rate will be imposed per order.
- Ambassador is to be and shall remain an independent contractor with respect to all services performed under this Agreement.
- In the event of any termination or expiration of this Agreement, the School shall purchase from Ambassador, at Ambassador's cost, any unsold, non-returnable inventory that Ambassador has acquired pursuant to the School's booklist and/or requirements.
- If the School wishes to use auto-fill service to its students, then the School will forward to Ambassador a file, utilizing Ambassador's auto-fill format that includes the student ID, student email address, student last name, student first name, student street address, apartment number, city, state, zip, student phone, student courses and quarter. Upon receipt of the student information, Ambassador will automatically pick, pack and ship the required course materials to the student at the address provided by the School. Ambassador will voucher and invoice the School for all student orders shipped via this auto-fill service. If Ambassador supplied the correct item but the student makes the return because the item is no longer needed or the student dropped a course, then the School will be charged for the return shipping. If the return results from a different item being supplied than what was on the student's order, Ambassador will not charge the School for the return shipping.
- The School shall have the right to terminate this agreement upon ninety days advance written notice to Ambassador if Ambassador fails to correct any of the following causes within ninety days of the written notification of such: a) if Ambassador fails to materially perform any obligation as set forth herein and the failure is not caused by the School, publisher or vendor; and B) If Ambassador fails to deliver the majority of the required textbooks if such textbooks are immediately available directly from the publisher and the failure is not caused by the School or publisher. In the event Ambassador has cured any described failure, the School will no longer have the right to terminate this Agreement for that reason in accordance herewith.
- Ambassador shall have the right to terminate this Agreement upon ninety days advance written notice to the School if the School fails to timely supply Ambassador with the necessary information for Ambassador to perform its duties under this Agreement, or the School fails to materially perform any obligation as set forth in this Agreement and the failure is not caused by Ambassador. However, the School shall have ninety days to cure any default before Ambassador has the right to terminate this Agreement. Notwithstanding anything to the contrary, if the School fails to timely pay any Ambassador invoice and has not cured same within fifteen days of Ambassador's notice to cure, then Ambassador shall have the right to terminate this Agreement upon five days written notice to the School.

Doc#:201303

AMBASSADOR

EDUCATION SOLUTIONS

445 Broad Hollow Road, Suite 206, Melville, NY 11747 631-770-1010 • 800-431-8913 • Fax: 631-770-1016
www.ambassadorsed.com • info@ambassadorsed.com

May 10, 2016

April Howard
National College
900 Madison Square
Madison, TN 37115

Dear April:

National College, National College of Business & Technology, American National University and University of Fairfax ("Customer" and/or the "School") wish to renew the October 23, 2013 agreement (the "Agreement") with Ambassador College Bookstores, Inc. d/b/a Ambassador Education Solutions ("Ambassador") as follows:

- The parties hereto affirm and confirm the renewal of the Agreement for a one (1) year term commencing May 1, 2016 through April 30, 2017, with any future renewal as may be agreed upon by the parties in a signed written amendment. Notwithstanding anything to the contrary, the School agrees to give at least ninety (90) days advance written notice to Ambassador if the School does not intend to renew the Agreement for any future renewal term.
- The School wishes to continue to generate revenue under Pricing Model B per Exhibit A attached hereto which is incorporated herein by reference, where the following revised pricing markups for online Bookstore/Autofill shall be in place, which will be implemented for the main distribution following the date hereof. In the event the School wishes to change the pricing model to any of the other Pricing Models, then the School shall advise Ambassador in writing so that Ambassador may coordinate implementing any pricing change based upon the timing of distribution.

Invoice Markup		Student Sell Price Markup
Print Textbooks/Access Codes	15	If publisher discount is 0% (net priced books), then the Student Sell Price shall be cost plus a markup of 15. If publisher discount is 1% or more, then the Student Sell Price shall be the publisher List Price.
eBooks	9	39
Non Book Items/Kits	23.75	39

- The parties hereto affirm and confirm to keep the terms and conditions of the Agreement and this amendment strictly confidential.
- Notwithstanding any language to the contrary contained in the Agreement, the parties confirm that the School shall have the right ~~and obligation~~ *option to Ambassador* to utilize open source, free course materials (as defined in the Agreement) ~~in the event that such materials are not available through Ambassador~~ *in the event that such materials are not available through Ambassador, then the parties in good faith shall negotiate the terms upon which Ambassador will charge for said items, but in the event the agreed service price cannot be reached then the School may handle said open source, free course materials*.
- The parties hereto affirm and confirm the remaining terms and conditions of the Agreement shall be in full force and effect and binding on the parties.

By signing below, the parties accept and agree to this amendment. This amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile or email transmitted executed counterpart to this amendment will be deemed an acceptable original for consummating this amendment.

National College
National College of Business & Technology
American National University
University of Fairfax

By: [Signature]
Name: STEVEN S. COTTON
Title: EXECUTIVE VICE PRESIDENT
Date: JUNE 2, 2016

Ambassador College Bookstores, Inc.
D/B/A Ambassador Education Solutions

By: [Signature]
Name: STEVEN M. BLUM
Title: COO
Date: JUNE 2, 2016

Exhibit A

Pricing Models

Pricing Models

- o Pricing Model A: If Customer does not wish to generate revenue, then one markup will be utilized and applied to establish the Student Sell Price and the Invoice Price.
Example using a 29% Markup:
List Price of Textbook \$10
Customer Special Publisher Discount, if any, or Standard Publisher Discount 40%
Cost of Textbook: \$6.00
Student Sell Price of Item: \$7.74 – Amount Student Pays
Invoice Price of Item: \$7.74 – Amount Customer Pays Ambassador if Voucher Purchase (If student pays by student credit card, then Customer is not invoiced)
- o Pricing Model B: If Customer wishes to generate revenue, then under this revenue pricing option, two markups will be utilized and applied to establish the Student Sell Price and the Invoice Price. Under this model, Customer establishes a Student Sell Price Markup in any amount it elects to be applied (amount students pay) and Ambassador would invoice Customer at a lower Invoice Price Markup (amount Customer pays), the difference being Customer's revenue.
Example using a 29% Invoice Markup and 39% on Sell Price Markup:
List Price of Textbook \$10
Customer Special Publisher Discount, if any, or Standard Publisher Discount 40%
Cost of Textbook: \$6.00
Student Sell Price of Item: \$9.54 – Amount Student Pays
Invoice Price of Item: \$7.74 – Amount Customer Pays Ambassador since Voucher Purchase
Revenue Generated by Customer: \$1.80 (Difference between Student Sell Price and Invoice Price)
- o Pricing Model C: If Customer wishes to generate revenue, then under this revenue pricing option, one markup will be utilized and a quarterly "Revenue Share" payment will be made by Ambassador to Customer based upon a percentage of net sales.
Example using a 59% Markup with an 18.75% Revenue Share Payment:
List Price of Textbook \$10
Customer Special Publisher Discount, if any, or Standard Publisher Discount 40%
Cost of Textbook: \$6.00
Student Sell Price of Item: \$9.54 – Amount Student Pays
Amount Ambassador pays Customer \$1.78 as Revenue Share (18.75% of \$9.54 sell price)
The Revenue Share will be paid on the net sales (gross sales less returns), less shipping, credit card fees, tax, and other reasonable adjustments. Provided Ambassador's invoices are timely paid (for voucher purchases, if any), the Revenue Share will be calculated for each quarter and payable each quarter no later than the first day of the following month: March (covering December, January and February), June (covering March, April and May), September (covering June, July and August), and December (covering September, October and November).

Student Sell Price Markup

As of the date hereof, the Customer has established the Student Sell Price Markups. If in the future Customer wishes to change any Student Sell Price Markup (to adjust revenue, generate revenue, or no longer generate revenue) for any campus or division, then it shall advise Ambassador in writing, which change shall be implemented at the next distribution of course materials, with any Student Sell Price Markup being established by the Customer in the event it wishes to adjust revenue or generate revenue, and the Student Sell Price Markup being the same as the Invoice Markup in the event it no longer wishes to generate revenue.

Publisher/Vendor Discount

If as of the date hereof Customer has negotiated with any publisher/vendor a special discount, and has provided Ambassador with those special discounts, then such special discount will be used when applying the markups; otherwise, the standard publisher/vendor discount shall be applied. Customer must promptly notify Ambassador in writing if it negotiates a publisher/vendor special discount hereafter, and such newly negotiated discount will be applied hereunder beginning immediately after the depletion of the inventory Ambassador purchased at the prior discount. In the event any such discount is negotiated hereafter that exceeds five percent (5%) of the then-current discount used in applying the markup for Customer, then the invoice markup shall be adjusted accordingly so that the invoice price is maintained as if such additional special discount was not implemented.

RENEWAL AND AMENDMENT OF AGREEMENT BETWEEN AMBASSADOR EDUCATION SOLUTIONS AND NATIONAL COLLEGE, NATIONAL COLLEGE OF BUSINESS & TECHNOLOGY, AMERICAN NATIONAL UNIVERSITY AND UNIVERSITY OF FAIRFAX

National College, National College of Business & Technology, American National University and University of Fairfax ("Customer" and/or the "School") wish to renew the October 23, 2013 agreement, as amended by the May 10, 2016 renewal (the "Agreement") with Ambassador College Bookstores, Inc. dba Ambassador Education Solutions ("Ambassador") as follows:

1. Pending the development and execution of a new agreement by the parties reflecting the increased utilization of digital and digitally-related product, e.g. eBooks and print on demand versions of eBooks, the parties hereto affirm and confirm the renewal of the Agreement, as amended below, for a one (1) year term commencing May 1, 2017 through April 30, 2018, with any future renewal as may be agreed upon by the parties in a signed written amendment.
2. The pricing markups reflected in the May 10, 2016 renewal and amendment to the October 23, 2013 agreement are revised to the following, and shall be effective and implemented with the distribution following the execution date of this amendment as set forth below:

Invoice Markup	Student Sell Price Markup
Print Textbooks/Access Codes	15 If publisher discount is 0% (net priced books), then the Student Sell Price shall be cost plus a markup of 1.15. If publisher discount is 1% or more, then the Student Sell Price shall be the publisher List Price.
eBooks	39, which the School may change before any distribution on advance written notice to Ambassador
Print-On-Demand	39, which the School may change before any distribution on advance written notice to Ambassador
Non Book Items/Kits	39, which the School may change before any distribution on advance written notice to Ambassador
Laptops/Devices	12.5, which the School may change before any distribution on advance written notice to Ambassador

3. The parties hereto affirm and confirm to keep the terms and conditions of the Agreement and this amendment strictly confidential.
4. The parties hereto affirm and confirm the remaining terms and conditions of the Agreement shall be in full force and effect and binding on the parties.

By signing below, the parties accept and agree to this amendment. This amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile or email transmitted executed counterpart to this amendment will be deemed an acceptable original for consummating this amendment.

National College

National College of Business & Technology

American National University

University of Fairfax

By: [Signature]

Name: STEVEN S COTTON

Title: EXECUTIVE VICE PRESIDENT

Date: Nov 1, 2017

Ambassador College Bookstores, Inc.

D/B/A Ambassador Education Solutions

By: [Signature]

Name: STEVEN S COTTON

Title: GO

Date: Nov 9, 2017

AMENDMENT TO MSA

Amendment to Master Services Agreement (this "Amendment"), dated as of July 18, 2018, is made by and among Ambassador College Bookstores, Inc., dba Ambassador Education Solutions ("Ambassador"), and National College, American National University and University of Fairfax ("Customer").

WHEREAS, Ambassador and Customer are parties to a certain Master Services Agreement, dated October 23, 2013, as otherwise amended and modified from time to time in accordance with its provisions in writing (the "MSA" and/or the "Agreement"), pursuant to which agreement Ambassador provides bookstore and course materials management and distribution services to Customer;

WHEREAS, the parties wish to modify the terms of the MSA as set forth herein; and

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The parties hereto affirm and confirm the renewal of the Agreement for an additional term commencing July 18, 2018 through October 1, 2018 (the "Renewal Term"), with any future renewals as agreed to by the parties in a signed written amendment. Notwithstanding anything to the contrary in the Agreement, the parties agree that although Ambassador has been, and it is the intent of the parties that it will continue to be, a critical vendor to Customer, within forty five (45) days of the date hereof, the parties shall meet at Customer's offices to discuss in good faith the terms of the next renewal to be signed prior to said date of October 1, 2018, or if Customer wishes to handle itself, in-house, the management and distribution of course materials.
2. Notwithstanding anything to the contrary, Customer shall provide weekly payments to Ambassador, in such amounts as Customer and Ambassador deem appropriate, taking into consideration the then outstanding invoices due Ambassador from Customer ("Weekly Payments"), to be applied to any outstanding balance of Ambassador's invoices. At no point shall the amount due from Customer to Ambassador exceed \$350,000. All amounts due Ambassador for invoices relating to a specific distribution of course materials must be paid in full by Customer prior to the start of the then next distribution of course materials.
3. Customer will remit payments to Ambassador for outstanding invoices either via wire transfer or sent via check by overnight mail so it is timely received by Ambassador.
4. (a) Notwithstanding any applicable cure period or termination provision provided in the Agreement, any breach of, or default under the Agreement or this Amendment, including the appropriate and timely payment of Ambassador invoices as agreed between Ambassador and Customer in accordance with paragraph 2 of this Amendment, shall be subject to a ten (10) day cure period. In the event Customer fails to perform its respective obligations under this Agreement or Amendment, Customer shall have ten (10) days from written notification by Ambassador to cure the default. During the pendency of the cure period Ambassador shall immediately be excused from performance hereunder. In the event of a failure by Customer to cure such breach or default, Ambassador shall have the right to terminate the Agreement and shall also have the right to exercise all other rights and remedies under the Agreement and this Amendment.

(b) Customer acknowledges and agrees that the provision of books and course materials to Customer is of utmost importance to Customer and therefore Ambassador is a critical vendor to Customer. Customer shall provide prompt notice to Ambassador of any material adverse change in Customer's business. Additionally, Customer shall provide prompt notice of any limitations on Customer's ability to perform its obligations under the Agreement, including this Amendment, and shall use its best efforts to oppose and cause the removal or withdrawal of any such limitations. Failure by Customer to provide prompt notice to Ambassador of any material adverse change in Customer's business, to provide prompt notice of any limitations on Customer's ability to perform its obligations under the Agreement,

including this Amendment, or to use its best efforts to oppose and cause the removal or withdrawal of any such limitations shall constitute a breach of this agreement.

(c) In the event of a termination of this Agreement as provided herein, all amounts due Ambassador, including any amounts on a final invoice that Ambassador will submit as soon as practical after such termination, for goods, products and Services sold to Customer, or any remaining custom material or non-returnable item purchased pursuant to Customer's booklists or instructions, not invoiced as of the date of the termination, shall be and become immediately due and payable by Customer to Ambassador.

5. Customer warrants and represents to Ambassador that it has the authority to enter into this Amendment, and it has the ability to honor the terms of this Amendment. The Customer further represents and warrants that the Customer continues to receive Title IV funds from the Department of Education ("DOE") for the campuses and divisions it owns and operates.
6. In the event of the commencement of any case, proceeding, or other action under any Federal law relating to bankruptcy, insolvency, reorganization, liquidation or relief from creditors by or against Customer (individually or collectively an "Insolvency Event"), the Agreement between the parties, including this Amendment, shall be governed by Section 365(c) of the Bankruptcy Code, and Ambassador's obligations under all agreements between Ambassador and Customer shall terminate automatically and in full at such time, except if and to the extent expressly provided otherwise in such agreements. Further, if an Insolvency Event occurs, Customer agrees that Ambassador's subsequent agreement to continue to accept orders from Customer, for items on a Booklist or otherwise, and/or to order or purchase any such items from publishers on Customer's behalf, constitutes fair and reasonably equivalent consideration for Customer's entry into this Amendment, notwithstanding any statements by Customer to Ambassador, or knowledge by Ambassador, that Customer intends at some unknown point in the future to cease and terminate its business operation of selling books and other classroom-related materials to Customer's students; and Customer further agrees that it shall not argue or otherwise take or directly or indirectly support, the position that (a) Customer's obligations under the Agreement or this Amendment, or otherwise to Ambassador, constitute antecedent debt, or may be avoided for any other reason under the Bankruptcy Code Section 547, or any other provision of the Bankruptcy Code, or any other applicable law, rule or provision, (b) the mutual promises, covenants and obligations under the Agreement or this Amendment do not constitute a contemporaneous exchange for new value given by Customer, or (c) following all payments by Customer to Ambassador, any delivery of product or Services by Ambassador to Customer does not constitute new value provided for Customer's benefit.
7. The parties hereto affirm and confirm to keep the terms and conditions of the Agreement and this amendment strictly confidential.
8. The parties hereto affirm and confirm the remaining terms and conditions of the Agreement shall be in full force and effect and binding on the parties.

By signing below, the parties accept and agree to this amendment. This amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile or email transmitted executed counterpart to this amendment will be deemed an acceptable original for consummating this amendment.

National College
American National University
University of Fairfax

By: [Signature]
Name: STEVEN S. PISTON
Title: EXECUTIVE VICE PRESIDENT
Date: JULY 18, 2018

Ambassador College Bookstores, Inc.

D/B/A Ambassador Education Solutions
By: [Signature]
Name: STEVEN M. S. L.
Title: CEO
Date: 7/18/18

AMENDMENT TO MSA

Amendment to Master Services Agreement (this "Amendment") dated as of October 1, 2018, is made by and among Ambassador College Bookstore, Inc. ("Ambassador Education Solutions" or "Ambassador"), and National College American National University and University of Eastern "Customer".

WHEREAS, Ambassador and Customer are parties to a certain Master Services Agreement, dated October 23, 2014, as previously amended and modified from time to time in accordance with its provisions including (the "MSA" and/or the "Agreement") pursuant to which Ambassador provides bookstore and course materials management and distribution services to Customer ("Services");

WHEREAS, the parties wish to amend the terms of the MSA as set forth herein;

NOW, THE PARTIES, for consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The parties hereto affirm and confirm the renewal of the Agreement for an additional term commencing October 1, 2018 through December 31, 2019 (the "Renewal Term") with any future renewals as agreed to by the parties in a signed written amendment.
2. Customer may modify the Renewal Term from December 31, 2019 to December 31, 2018 provided that by December 31, 2018 Customer has advised Ambassador in writing that Customer wishes to modify the Services in-house and on or before December 28, 2018 Customer has paid in full all Ambassador invoices that remain open as of December 28, 2018. In the event Customer timely provides notice and payment as provided in this paragraph 2, then the Renewal Term shall be deemed modified through December 31, 2018. In the event Customer does not timely provide notice and payment as provided in this paragraph 2, then the Renewal Term shall remain through December 31, 2019.
3. Customer wishes to modify the pricing models with the following revised pricing markup for Online Bookstore Autofill shall be in place, which will be implemented for the upcoming distribution for the start of classes on October 8, 2018.

	Invoice Markup	Student Sell Price Markup - Inclusive	Student Sell Price Markup - Exclusive
Print Textbooks	14.0%	14.0%	24.0%
eBooks	8.75%	8.75%	4.50%
Access Codes	7.25%	7.25%	14.50%
Print-On-Demand	9.75%	10.75%	15.50%
Non-Book Items & Kits	19.75%	19.75%	19.50%
Laptop Devices	12.50%	22.50%	12.50%

4. The parties hereto affirm and confirm to keep the terms and conditions of the Agreement and this amendment strictly confidential.
5. The parties hereto affirm and confirm the remaining terms and conditions of the Agreement and amendments shall be in full force and effect and binding on the parties.

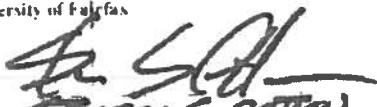
Signature Required: Yes



By signing below, the parties accept and agree to this amendment. This amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile or email transmitted executed counterpart to this amendment will be deemed an acceptable original for consummating this amendment.

National College
American National University
University of Dallas

Ambassador College Bookstores, Inc.
D/B/A Ambassador Education Solutions

By 
Name STEVEN S. COTTON
Title EXECUTIVE VICE PRES
Date 10/01/2018

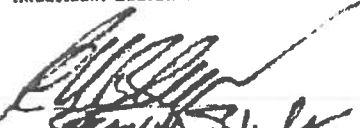
By 
Name STEVEN S. COTTON
Title EXECUTIVE VICE PRES
Date 10/01/2018

EXHIBIT B

{00027763-1 }

John Prillaman

From: Steve Cotton <scotton@national-college.edu>
Sent: Wednesday, January 30, 2019 1:00 PM
To: Richard Kolberg; sblicht@ambassadorred.com; Stuart Grinell (sgrinell@ambassadorred.com)
Cc: Frank Longaker; Joel Musgrove
Subject: RE: draft amendment

Hello Rich,

As you know, our next academic term, the 192 term, begins February 10, 2019. The window for making a decision about sourcing for course materials, at least with respect to that term, is closing.

This is to inform you that because of the continuing lack of agreement over the terms of the July 2018 contract and the November 2018 extension of that contract, we consider that no contractual relationship between the parties exists for course materials for the 192 academic term or beyond.

To be clear, we *do* acknowledge the existing mutual obligations ANU and Ambassador have to each other for the current, 191 academic term, including payment in full of the current outstanding balance due Ambassador by no later than the end of this academic term.

We *also* acknowledge that there are ongoing negotiations over a relationship between ANU and Ambassador that is based on ANU utilizing Ambassador for services but paying the vendors directly for the cost of the course materials (utilizing Ambassador's reports) for the 193 academic term beginning March 24, 2019, and forward.

But due to time constraints and the inherent uncertainties in the negotiation process we are forced to move forward with making arrangements directly with the vendors to ensure that our students have access to course materials for the 192 academic term.

Rich, I look forward to continuing to work with you, Steven, Stuart and the rest of the team at Ambassador to see whether a continuing relationship between Ambassador and ANU can make sense for both parties.

Best regards,

Steven S. Cotton
Executive Vice President
Legal and Regulatory Affairs



P: 540.444.4103
scotton@an.edu

From: Richard Kolberg [<mailto:rkolberg@ambassadorred.com>]
Sent: Monday, January 28, 2019 4:16 PM
To: Steve Cotton
Subject: RE: draft amendment

Steve,

Hope you had a great weekend.

Just as a quick update; over the last few days we have had some good conversations with several vendors regarding ANU still utilizing Ambassador for our services but pay the vendor directly for the cost of the course material (utilizing Ambassador's reports). They all appear amenable to the arrangement. We are awaiting some paperwork from the vendors and once we receive I will provide a further update.

Any immediate questions please let me know.

Regards,
Rich

This email was scanned by Bitdefender

EXHIBIT C

{00027763-1 }

TOLL FREE US: (800) 431-9913
 TEL: (831) 770-1010
 FAX: (831) 770-1041
 E-Mail: info@ambassadored.com
 Website: www.ambassadored.com

ADDRESS:
 AMBASSADOR EDUCATION SOLUTIONS
 445 BROAD HOLLOW ROAD, SUITE 208
 MELVILLE, NY 11747

AMBASSADOR

EDUCATION SOLUTIONS

FED ID NO. 20-0337423
 Ambassador College Bookstores Inc.
 d/b/a Ambassador Education Solutions

DATE
02/11/19
INVOICE NO.
300000

S O L D T O	American National Univ
	PO Box 6400
	Accounts Payable
	Roanoke, VA 24017

S H I P T O	American National Univ
	VA

TERMS:
 PAYMENT DUE:

CUSTOMER NUMBER 7072NTLFF

DATE RECEIVED	QTY	TITLE	LIST PRICE	DISC	NET PRICE
02-11-2019	1	October 23, 2013 MSA, costs related to ANU advising handling course materials as of February 11, 2019 for remainder of the term.			\$45,000.00

EXHIBIT D



MELTZER LIPPE GOLDSTEIN & BREITSTONE, LLP
190 Willis Avenue, Mineola, NY 11501 • T. 516.747.0300
www.meltzerlippe.com

April 1, 2019

VIA FEDERAL EXPRESS AND EMAIL

American National University
3361 Melrose Avenue
Roanoke VA 24017

Attention: Frank Longaker, President frank@an.edu
Steve Cotton, Executive Vice President scotton@national-college.edu

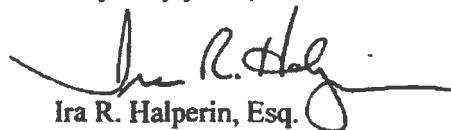
Re: Ambassador Education Solutions
Overdue Amount of \$66,799.55
MLGB File No. 13619-00001

FINAL DEMAND FOR PAYMENT

Dear Messrs. Longaker and Cotton:

This firm represents Ambassador College Bookstores, Inc. dba Ambassador Education Solutions ("Ambassador"). This correspondence shall serve as Ambassador's final demand for payment in the amount of Sixty-Six Thousand, Seven Hundred, Ninety-Nine Dollars and Fifty-Five Cents (\$66,799.55) (as provided in the attached Statement of Account and back-up documentation) in full on or before April 5, 2019 or Ambassador will be forced to, among other things, commence legal proceedings. Ambassador's rights and remedies are expressly reserved. Be guided accordingly.

Very truly yours,



Ira R. Halperin, Esq.

cc: Mr. Steven M. Blicht

**American National University
Statement of Account
4/2/2019**

Balance of all Accounts - 2/4/2019	170,330.13		
Payments Received			
Check	(11,832.31)		
Wire	(124,392.71)		
Check	(10,203.28)	Inv. 30165482	4,190.43
		Inv. 30165509	19,711.40
Remaining Balance from 2/4/2019 Statements	23,901.83		23,901.83
Additional Invoicing since 2/4/2019			
2/9/2019 Inv. 1085216	94.20		
2/9/2019 CM. 1085217	(31.71)		
2/9/2019 CM. 1085218	(44.59)		
2/11/2019 Inv. 30165583	6,815.62		
2/11/2019 Inv. 300000	45,000.00		
4/2/2019 CM 20976	(8,935.80)		
Total Amount Due Ambassador	<u>\$ 66,799.55</u>		

TOLL FREE US: (800) 431-6913
 TEL: (831) 770-1810
 FAX: (831) 770-1015
 E-Mail: info@ambassadorwd.com
 Website: ambassadorwd.com

Address:
 AMBASSADOR EDUCATION SOLUTIONS
 445 BROAD HOLLOW ROAD, SUITE 308
 MELVILLE, NY 11747

AMBASSADOR

EDUCATION SOLUTIONS

FED ID NO. 20-6267423
 AMBASSADOR COLLEGE BOOKSTORES, INC.
 DBA AMBASSADOR EDUCATION SOLUTIONS

DATE
01/29/19
INVOICE NO
30165482

American National Univ PO BOX 6400 Accounts Payable ROANOKE, VA 24017
--

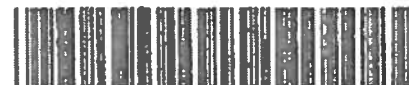
AMERICAN NATIONAL UNIVER. DOROTHY KESSLER 421 HILLTOP DRIVE PRINCETON, WV 24739
--

CUSTOMER NUMBER: 7072NTLFF

TERMS: NET 30

PAYMENT DUE: 02/27/19

DATE RECEIVED	QTY	TITLE	UNIT PRICE	DISC	NET PRICE
01-28-19	1	BOOKSTORE	0.00		
	11	ANU MA SCRUB TOP GRAPE-221C	21.53		236.83
	18	GRAPE CARGO PANTS 313	21.08		379.44
	84	ANU PHARM TECH WARMUP JKT	10.98		922.32
	8	ANU PHLEBOTOMY SCRUB TOP	21.53		172.24
	21	CEIL CARGO PANTS-313	21.08		442.68
	3	ANU PARAMEDIC SCRUB TOP 221C	21.53		64.59
	4	GRAPE MID-CALF ELASTIC WAIST SKIRT	15.00		60.00
	18	NAT COLLEGE MA SCRUB TOP-221	21.53		387.54
	6	NAT COLLEGE PHLEBOTOMY SCRUB TOP	21.53		129.18
	18	ANU CST SCRUB TOP	21.53		387.54
	20	HUNTER CARGO PANTS - 313	21.08		421.60
					3603.96
				Tax	216.24
				Postage	370.23
					4190.43
		YOUR INVOICE NUMBER IS: 30165482			



TOLL FREE US: (800) 431-8913
 TEL: (631) 770-1010
 FAX: (631) 770-1015
 E-Mail: info@ambassadorsed.com
 Website: ambassadorsed.com

Address:
 AMBASSADOR EDUCATION SOLUTIONS
 445 BROAD HOLLOW ROAD, SUITE 206
 MELVILLE, NY 11747

AMBASSADOR

EDUCATION SOLUTIONS

FED ID NO. 28-8187433
 AMBASSADOR COLLEGE BOOKSTORES, INC.
 d/b/a AMBASSADOR EDUCATION SOLUTIONS

DATE
01/30/19
INVOICE NO
30165509

American National Univ PO BOX 6400 Accounts Payable ROANOKE, VA 24017
--

DOROTHY KESSLER 421 HILLTOP DRIVE PRINCETON, WEST VIRGINIA 24739
--

CUSTOMER NUMBER: 7072NTLFF

TERMS: NET 30

PAYMENT DUE: 03/01/19

DATE RECEIVED	QTY	TITLE	LIST PRICE	DISC	NET PRICE
01-30-19	1	BOOKSTORE INVOICE FOR NR TEXTS NO LONGER UTILIZED BY ANU.	18099.45		18099.45
					18099.45
				Tax	1115.74
				Postage	496.21
					19711.40
		YOUR INVOICE NUMBER IS: 30165509			



JAMES B. HARDY	0724457343	LEARN BIOLOGY	7	\$25.77	\$177.59
JOHNA	0724457343	CIRCULATORY AND RESPIRATORY HEALTH AND STATISTICS	71	\$29.51	\$1,479.59
CONRAD	0724457343	HUMANITIES IN-4 EDITION (HUMAN PHYSIOLOGY)	7	\$149.37	\$1,045.59
JAMES	0724457343	THE SAFETY-NET HEALTH CARE SYSTEM	5	\$29.51	\$147.55
CONRAD	0724457343	FUNDAMENTALS OF SURGERY (SURGERY) (HUMAN LEAF)	6	\$29.51	\$177.06
BRUCE	0724457343	CENTRAL SERVICE MANUAL AND WORKBOOK	6	\$165.00	\$1,000.00
JOHN OF SURGEON	0724457343	SURGICAL TECHNOLOGY CUTTING PLANE RE.	7	\$45.00	\$315.00
CONRAD	0724457343	NUMERICAL GUIDE TO MEDICAL TERMINOLOGY - LOCAL LEAF	73	\$32.00	\$2,336.00
CONRAD	0724457343	D-5-1 Code B Local Leaf	6	\$30.00	\$180.00
CONRAD	0724457343	SEVEN EIGHT EIGHTS ELECTROCARDIOGRAPHY (LOCAL LEAF)	6	\$30.00	\$180.00
CONRAD	0724457343	THE PHARMACY TECHNOLOGY: A COMP APPROACH (LOCAL LEAF)	6	\$30.00	\$180.00
CONRAD	0724457343	SURGICAL TECHNOLOGY FOR THE SURGICAL TECHNOLOGIST: A PORTABLE CARE APPROACH - LOCAL LEAF	17	\$166.00	\$1,779.00
CONRAD	0724457343	SHOULD: THE INTEGRATED HW/ COMPARISON VS COLLEGE ACCOUNTING, CHAPTERS 1-27	27	\$164.17	\$4,432.59
CONRAD	0724457343	UNDERSTANDING HEALTH INSURANCE: A GUIDE TO PLANS AND REIMBURSEMENT LOCAL LEAF	20	\$10.00	\$200.00
TOTAL COST					\$14,099.00

TOLL FREE US: (800) 431-8913
 TEL: (831) 770-1010
 FAX: (831) 770-1015
 E-Mail: info@ambassadorsed.com
 Website: ambassadorsed.com

Address:
 AMBASSADOR EDUCATION SOLUTIONS
 445 BROAD HOLLOW ROAD, SUITE 208
 MELVILLE, NY 11747

AMBASSADOR

EDUCATION SOLUTIONS

FED ID NO. 28-0287423
 AMBASSADOR COLLEGE BOOKSTORES, INC.
 d/b/a AMBASSADOR EDUCATION SOLUTIONS

DATE
02/09/19
INVOICE NO
1085216

A	American National Univ
O	PO Box 6400
L	Accounts Payable
D	Roanoke, VA 24017
T	
O	

A	American national Univ
H	KY
I	
P	, NY 00000
T	
O	

CUSTOMER NUMBER: 7072KYY

TERMS: NET 30
 PAYMENT DUE: 03/11/19

DATE	QTY	TITLE	LIST PRICE	DISC	NET PRICE
02-09-2019	1	BOOKSTORE FOR BOOKS AND REQUIRED COURSE MATERIALS DISTRIBUTED AT ANU - LOUISVILLE DURING THE PERIOD OF FEB 05, 2019 AT 12:00 AM TO FEB 06, 2019 AT 12:00 AM. ----- Course Materials: \$ 60.24 Shipping Cost: \$ 28.62 Sales Tax: \$ 5.34 Credit Card Payment: \$ 0.00 ----- THE DETAILS AND RESPECTIVE VOUCHERS ARE AVAILABLE FOR DOWNLOAD FROM OUR SECURE SERVER. PLEASE GO TO AMBASSADORS SOURCEONE AT https://www.ambassadorsed.com/client-logi LOGIN TO SOURCEONE. THEN ON THE MAIN MENU, CLICK THE LINK NAMED INVOICE DOWNLOAD 1 THANK YOU, AMBASSADOR EDUCATION SOLUTION	0.00		
			94.20		94.20
					94.20
					94.20
		YOUR INVOICE NUMBER IS: 1085216			



TOLL FREE US: (800) 431-8813
 TEL: (631) 770-1010
 FAX: (631) 770-1015
 E-Mail: info@ambassadorred.com
 Website: ambassadorred.com

Address:
 AMBASSADOR EDUCATION SOLUTIONS
 445 BROAD HOLLOW ROAD, SUITE 208
 MELVILLE, NY 11747

AMBASSADOR

EDUCATION SOLUTIONS

FED ID NO. 20-8287423
 AMBASSADOR COLLEGE BOOKSTORES, INC.
 100% AMBASSADOR EDUCATION SOLUTIONS

DATE
02/08/19
CREDIT MEMO NO.
CM1085217

American National Univ PO Box 6400 Accounts Payable Roanoke, VA 24017 usa

American National Univ VA , NY 00000
--

CUSTOMER NUMBER: 7072VAA

TERMS: NET
 PAYMENT DUE: //

DATE	QTY	TITLE	LIST PRICE	DISC	NET PRICE
02-09-2019	1	FOR BOOKS AND REQUIRED COURSE MATERIALS DISTRIBUTED AT ANU - ONLINE DURING THE PERIOD OF FEB 05, 2019 AT 12:00 AM TO FEB 07, 2019 AT 12:00 AM. ----- Course Materials: \$(63.95) Shipping Cost: \$ 32.24 Sales Tax: \$ 0.00 Credit Card Payment: \$ 0.00 ----- THE DETAILS AND RESPECTIVE VOUCHERS ARE AVAILABLE FOR DOWNLOAD FROM OUR SECURE SERVER. PLEASE GO TO AMBASSADORS SOURCEONE AT https://www.ambassadorred.com/client-login LOGIN TO SOURCEONE. THEN ON THE MAIN MENU, CLICK THE LINK NAMED INVOICE DOWNLOAD THANK YOU, AMBASSADOR EDUCATION SOLUTIONS	31.71		31.71
					31.71
					31.71

CREDIT MEMO CM1085217



TOLL FREE US: (800) 431-8813
 TEL: (831) 778-1810
 FAX: (831) 778-1815
 E-Mail: info@ambassadorsed.com
 Website: ambassadorsed.com

Address:
 AMBASSADOR EDUCATION SOLUTIONS
 445 BROAD HOLLOW ROAD, SUITE 208
 MELVILLE, NY 11747

AMBASSADOR

EDUCATION SOLUTIONS

FED ID NO. 20-0257423
 AMBASSADOR COLLEGE BOOKSTORE, INC.
 d/b/a AMBASSADOR EDUCATION SOLUTIONS

DATE
02/08/19
CREDIT MEMO NO.
CM1085218

American National Univ PO Box 6400 Accounts Payable Roanoke, VA 24017 USA

American National Univ VA , NY 00000
--

CUSTOMER NUMBER: 7072VAA

TERMS: NET
 PAYMENT DUE: //

MO. INVOICE NO.	QTY	TITLE	UNIT PRICE	CHGC	NET PRICE
02-09-2019	1	FOR BOOKS AND REQUIRED COURSE MATERIALS DISTRIBUTED AT ANU - ROANOKE VALLEY DURING THE PERIOD OF FEB 05, 2019 AT 12:00 AM TO FEB 07, 2019 AT 12:00 AM. ----- Course Materials: \$(93.00) Shipping Cost: \$ 45.81 Sales Tax: \$ 2.60 Credit Card Payment: \$ 0.00 ----- THE DETAILS AND RESPECTIVE VOUCHERS ARE AVAILABLE FOR DOWNLOAD FROM OUR SECURE SERVER. PLEASE GO TO AMBASSADORS SOURCEONE AT https://www.ambassadorsed.com/client-login LOGIN TO SOURCEONE. THEN ON THE MAIN MENU, CLICK THE LINK NAMED INVOICE DOWNLOAD THANK YOU, AMBASSADOR EDUCATION SOLUTIONS	44.59		44.59
					44.59
					44.59

CREDIT MEMO CM1085218



TOLL FREE US: (800) 431-8013
 TEL: (831) 770-1810
 FAX: (831) 770-1018
 E-Mail: info@ambassadored.com
 Website: ambassadored.com

Address:
 AMBASSADOR EDUCATION SOLUTIONS
 445 BROAD HOLLOW ROAD, SUITE 205
 MELVILLE, NY 11747

AMBASSADOR

EDUCATION SOLUTIONS

FED ID NO. 28-4287423
 AMBASSADOR COLLEGE BOOKSTORE, INC.
 d/b/a AMBASSADOR EDUCATION SOLUTIONS

DATE
02/11/19
INVOICE NO
30165583

• American National Univ
• PO BOX 6400
• Accounts Payable
• ROANOKE, VA 24017
•
•

• ANU
• ATTN DOROTHY KESSLER
• 431 HILLTOP DRIVE
• PRINCETON, WEST VIRGINIA 24739
•
•

CUSTOMER NUMBER: 7072NTLFF

TERMS: NET 30

PAYMENT DUE: 03/13/19

YOUR ORDER NO	QTY	TITLE	UNIT PRICE	DISC	NET PRICE
02-11-19	1	BOOKSTORE ANU INVOICE FOR NON RETURNABLE COURSE MATERIAL.	6203.97		6203.97
					6203.97
				Tax	385.79
				Postage	225.86
					6815.62
		YOUR INVOICE NUMBER IS: 30165583			



**AMU Return to School
2/11/2018**

Description	SKU/Item	Quantity	Cost	Total Cost
2 pocket top(blank) , grey, style 8321, single (xxsm, xsm, sm, med, lg, xl, 2xl)	8321-0000000001	30	\$4.35	\$127.50
2 pocket top(blank) , grey, style 8321, single(2xl)	8321-0000000001	2	\$7.00	\$14.00
2 pocket top(blank) , grey, style 8321, single (4xl, 5xl)	8321-0000000001	2	\$7.00	\$14.00
grey cargo pant, styled-413, single(xxsm, xsm, sm, med, lg, xl, 2xl)	413-0000000001	31	\$4.65	\$143.85
grey cargo pant, styled-413, single(2xl)	413-0000000001	2	\$7.30	\$14.60
grey cargo pant, styled-413, single (2xl)	413-0000000001	2	\$8.65	\$17.30
2 pocket top (blank), grey, style 8321, set of 2 (xxsm, xsm, sm, med, lg, xl, 2xl)	8321-0000000001	05	\$12.00	\$60.00
2 pocket top (blank), grey, style 8321, set of 2 (3XL)	8321-0000000001	2	\$14.00	\$28.00
2 pocket top (blank), grey, style 8321, set of 2 (4XL, 5XL)	8321-0000000001	2	\$18.00	\$36.00
grey cargo pants, style 8413, set of 2 (xxsm, xsm, sm, med, lg, xl, 2xl)	413-0000000001	05	\$13.10	\$65.50
grey cargo pants, style 8413, set of 2 (3XL)	413-0000000001	2	\$14.00	\$28.00
grey cargo pants, style 8413, set of 2 (4XL, 5XL)	413-0000000001	1	\$17.10	\$17.10
american national university ingood white warmup jacket-418c(xxsm, xsm, sm, med, lg, xl, 2xl)	418c-0000000001	25	\$10.00	\$250.00
white cargo pants, style 8413, set of 2 (xxsm, xsm, sm, med, lg, xl, 2xl)	413-0000000001	30	\$15.10	\$453.00
white cargo pants, style 8413, set of 2 (4xl)	413-0000000001	2	\$16.30	\$32.60
white cargo pants, style 8413, set of 2 (5xl)	413-0000000001	1	\$17.30	\$17.30
2 pocket top for nursing(black), white, styled-321, set of 2 (xxsm, sm, med, xl, 2xl)	321-0000000001	12	\$12.00	\$144.00
2 pocket top for nursing(black), white, styled-321, set of 2 (4xl, 5xl)	321-0000000001	5	\$18.00	\$90.00
american national university navy polo - set of 3 (2xl)	8321-0000000001	1	\$38.00	\$38.00
health care quality management student workbook	778-0000000001	4	\$25.00	\$100.00
led-40-pcs flash cards	778-0000000001	1	\$5.00	\$5.00
blood pressure kit 778-007612	778-007612	114	\$25.10	\$2861.40
SHIPPING COST tracking 1a082870374763661	UPS			\$28.57
	TAX			\$38.19
	GRAND TOTAL			\$8,015.62

TOLL FREE US: (800) 431-8913
 TEL: (831) 770-1010
 FAX: (831) 770-1041
 E-Mail: info@ambassadorsd.com
 Website: www.ambassadorsd.com

ADDRESS:
 AMBASSADOR EDUCATION SOLUTIONS
 445 BROAD HOLLOW ROAD, SUITE 206
 MELVILLE, NY 11747

AMBASSADOR

EDUCATION SOLUTIONS

FED ID NO. 20-0387433
 Ambassador College Bookstores Inc.
 d/b/a Ambassador Education Solutions

DATE
02/11/19
INVOICE NO
300000

SHIP TO	American National Univ
	PO Box 6400
	Accounts Payable
	Roanoke, VA 24017

SHIP TO	American National Univ
	VA

TERMS:
 PAYMENT DUE:

CUSTOMER NUMBER 7072NTLFF

YOUR ORDER NO	QTY	TITLE	LIST PRICE	DISC	NET PRICE
02-11-2019	1	October 23, 2013 MSA, costs related to ANU advising handling course materials as of February 11, 2019 for remainder of the term.			\$45,000.00

TOLL FREE US: (800) 431-8913
 TEL: (531) 770-1010
 FAX: (531) 770-1015
 E-Mail: info@ambassadorsed.com
 Website: ambassadorsed.com

Address:
 AMBASSADOR EDUCATION SOLUTIONS
 445 BROAD HOLLOW ROAD, SUITE 206
 MELVILLE, NY 11747

AMBASSADOR

EDUCATION SOLUTIONS

FED ID NO. 20-8287423
 AMBASSADOR COLLEGE BOOKSTORES, INC.
 c/o AMBASSADOR EDUCATION SOLUTIONS

DATE
04/02/19
CREDIT MEMO NO.
CM20976

American National Univ PO BOX 6400 Accounts Payable ROANOKE, VA 24017 USA

National College , NY 00000

CUSTOMER NUMBER: 7072NTLFF

TERMS: NET
 PAYMENT DUE: //

QTY	TITLE	LIST PRICE	DISC	NET PRICE
1	pass through of Cengage credit of 04/02/2019 per RA 21219	8430.00		8430.00
			Tax	505.80
				8935.80

CREDIT MEMO CM20976



**AFFIDAVIT FOR SERVICE OF PROCESS ON THE
SECRETARY OF THE COMMONWEALTH**

Commonwealth of Virginia VA. CODE §§ 8.01-301, -310, -329; 55-218.1; 57-51

Case No.

CITY OF SALEM

Circuit Court

AMERICAN NATIONAL UNIVERSITY, INC.

V. AMBASSADOR COLLEGE BOOKSTORES, INC.

445 BROAD HOLLOW ROAD, SUITE 206

MELVILLE, NY 11747

TO THE PERSON PREPARING THIS AFFIDAVIT: You must comply with the appropriate requirements listed on the back of this form.

Attachments: ☒ Summons and Complaint ☐ Notice
☐

I, the undersigned Affiant, state under oath that

- ☒ the above-named defendant ☐
whose last known address is ☒ same as above ☐
1. ☒ is a non-resident of the Commonwealth of Virginia or a foreign corporation and Virginia Code § 8.01-328.1(A) applies (see NON-RESIDENCE GROUNDS REQUIREMENT on page 2). (i-iv)
2. ☐ is a person whom the party seeking service, after exercising due diligence, has been unable to locate (see DUE DILIGENCE REQUIREMENT ON BACK)

is the hearing date and time on the attached process or notice (if applicable)

4-9-19

DATE

☐ PARTY ☒ PARTY'S ATTORNEY ☐ PARTY'S AGENT ☐ PARTY'S REGULAR AND BONA FIDE EMPLOYEE

State of Virginia

☐ City ☒ County of Roanoke

Acknowledged, subscribed and sworn to before me this day by John K. Prillaman

PRINT NAME OF SIGNATORY

April 8, 2019

DATE

Jennipus Lynn Busch

☐ CLERK ☐ MAGISTRATE ☒ NOTARY PUBLIC

Notary Registration No. 507317

My commission expires December 31, 2020

- ☒ Verification by the clerk of court of the date of filing of the certificate of compliance is requested. A self-addressed stamped envelope was provided to the clerk at the time of filing this Affidavit.

NOTICE TO THE RECIPIENT from the Office of the Secretary of the Commonwealth of Virginia:

You are being served with this notice and attached pleadings under Section 8.01-329 of the Code of Virginia which designates the Secretary of the Commonwealth as statutory agent for Service of Process. The Secretary of the Commonwealth's ONLY responsibility is to mail, by certified mail, return receipt requested, the enclosed papers to you. If you have any questions concerning these documents, you may wish to seek advice from a lawyer.

SERVICE OF PROCESS IS EFFECTIVE ON THE DATE WHEN SERVICE IS MADE ON THE SECRETARY OF THE COMMONWEALTH.

CERTIFICATE OF COMPLIANCE

I, the undersigned, Clerk in the Office of the Secretary of the Commonwealth, hereby certify the following:

1. On, legal service in the above-styled case was made upon the Secretary of the Commonwealth, as statutory agent for persons to be served in accordance with Section 8.01-329 of the Code of Virginia, as amended.
2. On, papers described in the Affidavit and a copy of this Affidavit were forwarded by certified mail, return receipt requested, to the party designated to be served with process in the Affidavit.

SERVICE OF PROCESS CLERK, DESIGNATED
BY THE AUTHORITY OF THE SECRETARY OF THE COMMONWEALTH